



December 12, 2012

Edward D'Arezzo
Assistant Health Director
Department of Health - Room 410
Three Capitol Hill
Providence, RI 02908-5097

Dear Mr. D'Arezzo,

Please find attached our responses to the questions HEALTH has asked us to answer for review of our proposed change of address. We are in final negotiations with the property owner of 1637 West Main Rd, Portsmouth, RI and hope to sign a purchase and sale agreement by week's end. We feel strongly that this is the best home for Greenleaf as it is a superior structure and more conveniently located for the patients we will service. Please let me know if you have additional questions regarding this change of address.

Sincerely yours,

Dr. Seth Bock
Greenleaf Compassionate Care Center, Inc.
(401) 743-7613
Drsbock@gmail.com

Question 2: Please provide the proposed physical address of the compassion center, if a precise address has been determined. This shall also include any additional addresses to be used for the secure cultivation of medical marijuana. If a precise address has not been determined, identify the general location(s) where it would be sited, and when. Supporting documents should be included.

We believe we have located the ideal facility for use as a compassion center. The address is 1637 West Main Road, Portsmouth Rhode Island, 02871. This facility will contain the compassion center and will be used for the secure cultivation of medical marijuana. This facility is located approximately one mile and a half from our previously approved location and is located at a RIPTA bus stop, unlike our previous facility.

Question 3: Please provide evidence of compliance with the local zoning laws for each proposed physical address to be utilized as a compassion center or for the secure cultivation of medical marijuana. Supporting documents should be included.

We have provided a signed and sealed copy of the Zoning Form provided by HEALTH. This form, signed by the Portsmouth Building Inspector, George Medeiros, attests to the fact that the facility we are proposing, 1637 West Main Road, is zoned appropriately for use as a compassion center is more than 1,000 feet from a school.

Question 4: Please provide evidence that all of the proposed physical addresses identified in Question 2 are not located within one thousand feet (1,000') of the property line of a preexisting public or private school. Supporting documents should be included. As above the Building Inspector has signed the Zoning Form which attests to the fact that 1637 is more than 1,000 feet from the nearest public or private school. We have also included a to scale map of the area surrounding 1637 that clearly delineates the distance to the closest school.

Question 5: Please provide a description of the proposed enclosed, locked facility that will be used in the cultivation of marijuana, including steps to ensure that the marijuana production shall not be visible from the street or other public areas. Supporting documents should be included. Our new facility is a 2,800 sq/ft post and beam building set back from West Main Road approximately 30 feet. It is a one-story building with a concrete slab foundation that was previously used as both a automotive repair building and most recently a workshop for a house builder. As such, it has been recently renovated and is in excellent condition. The building is split into three sections: a large work area, a medium sized work area (both with solid garage doors) and two offices. The larger of the two work areas will be utilized as the dispensary. This will afford ample room for the retail component, an enclosed kitchen and plenty of room for holding workshops and cooking classes. The second work area will be utilized for the secure cultivation of medical marijuana. There are no outside windows in this area, other than two small portholes in the garage door. These holes will be covered with a light-blocking film. This area is also not visible from public areas within the building. Please see floor plan for schematics.

Question 9: Please provide a list of all persons or business entities having five

percent (5%) or more ownership in the compassion center, whether direct or indirect and whether the interest is in profits, land or building, including owners or any business entity that owns all or part of the proposed land or building. Seth Bock and Richard Radebach will each have 50% ownership in the land, building and property of the compassion center.

Question 10: Please provide the identities of all creditors holding a security interest in the proposed premises, if any. Pawtucket Credit Union.

Question 11(b): Please provide a business plan that includes, at a minimum:

- i. A detailed description about the amount and source of the equity and debt commitment for the proposed compassion center.**
- ii The immediate and long-term financing feasibility of the proposed financing plan.**
- iii. The relative availability of funds for capital and operating needs.**
- iv. The applicant's financial capability.**
- v. A copy of your proposed policy regarding charity/servicing indigent patients.**
- vi. Please complete the following projected income statements for the first three (3) years after implementation. Round all amounts to the nearest dollar.**

Greenleaf has secured a \$200,000 loan from its principals and designated management team. This loan will become payable over a five year period, with interest-only payments in years 2-4, and a balloon payment of principle and interest in year 5. Each loan is secured through a Letter of Commitment.

Greenleaf's owners, Seth Bock and Richard Radebach, are personally financing the purchase of 1637 West Main Road in Portsmouth through a separately formed Limited Liability Corporation. Greenleaf will become the sole tenant on this property under an initial 2 year lease.

Upon receipt of licensure from the Department of Health, Greenleaf anticipates start-up costs of \$120,000 through its first 12 weeks of operation. Many of the original anticipated costs for start-up were based on a large horticultural operation. As a result of legislative changes in these limits and the introduction of caregiver-purchased excess medicine, these costs have been significantly mitigated.

Greenleaf's projected 12 week start-up budget is as follows:

- Payroll = \$56,000
- Renovations = \$15,000
- Equipment (Admin) = \$2,200
- Supplies (Non-grow) = \$1,150
- Utilities = \$1,400
- Rent = \$9,500
- Insurance = \$1,000
- Medicine Purchase (200 ounces) = \$25,000
- Medicine Quality Control/Management = \$3,000
- DOH Certification Fee = \$5,000

- Staff Caregiver Registration Fees = \$750
-

Total: \$120,000

As reflected in the attached Projected Income Statement, Greenleaf intends to sustain manageable expenses throughout its “ramp up year”. The ability to incrementally grow the patient population throughout that 10 month period and add an average of 50 new patients each month during the first full fiscal year will result in a positive cash flow situation by the end of 2014. Maintaining the same patient growth in fiscal year 2015 will leave Greenleaf in a comfortable financial position to continue a successful non-profit operation.

Should additional capital be necessary after the ramp up year, Greenleaf is confident that new private investment funds will be available. We are optimistic that additional sources of funding from public banking institutions may also avail themselves, should changes in federal laws and regulations be enacted.

Greenleaf is well aware that a significant percentage of current patients within the State are recipients of public and private assistance. We stand behind those statements of philosophy, policy, and objectives outlined in our original application. “Greenleaf Gives” will embody the true purpose and spirit of a community-driven and inclusive organization.

Question 12: Please document how the proposed location for a compassion center is convenient to patients from throughout Rhode Island. This has not changed considerably from the originally proposed and approved location. The new facility is easier to find than the Portsmouth Business Park (previous location) given it is located on one of Aquidneck Islands two major thoroughfares. Unlike the previous facility this facility has a RIPTA bus stop at its front door.

Question 16: All responses to Question 16 Shall be submitted as a separate paper and electronic document which is clearly marked: *OFFICIAL USE ONLY - SECURITY RELATED INFORMATION - WITHHOLD UNDER RIGL 38-2-2(4)(S)*. All responses to Question 16 shall be utilized for internal Department review only and shall not be available for public comment or review.

i. Please provide an acceptable safety and security plan, including staffing and a detailed description of proposed security and safety measures, which demonstrate compliance with 5.1.7 of the Rules and Regulations Related to the Marijuana Program. This has not changed.

ii. The description shall also include a detailed floor plan for the compassion center, as well as each additional address to be used for the secure cultivation of medical marijuana, which indicates location and make/model # of security devices utilized. We have provided a floor plan of the new facility with schematic representations of the location of security equipment. Our intent is to replicate, to the extent possible, the layout

of security equipment and features of our approved application.

iii. Provide a plan to involve and coordinate with local law enforcement officials contacted during the development of this plan. This has not changed.

Question 18: *The Department shall allow for comment by the public and shall solicit input from registered qualifying patients, registered primary caregivers, and the towns or cities where the applicants would be located. Applicants are invited to add supporting information.* We welcome any additional feedback or advice.

	10 Month Ramp-up	First Full Year	Second Full Year
Revenue:			
Sales to Registered Patients	343,750	1,237,500	2,137,500
Other Supplies Sold	8,000	12,000	12,000
Other Revenue Sources	N/A	N/A	N/A
Total Revenue	351,750	1,249,500	2,149,500
Expenses:			
Payroll with Fringes	241,872	524,056	786,084
Consultants	7,280	10,920	14,560
Equipment	10,088	20,176	40,352
Supplies	20,800	41,600	62,400
Office Expenses	26,130	32,662	52,260
Utilities	4,000	24,000	36,000
Insurance	2,496	10,000	15,000
Interest	-----	38,400	38,400
Depreciation Amortization	1,000	1,000	1,000
Leasehold Expenses	50,000	60,000	60,000
Bad Debt	0	0	0
Caregiver Excess Medicine	171,875	410,750	860,750
TOTAL EXPENSES:	535,541	1,173,564	1,966,806
Differences:	(183,791)	75,936	182,694
Number of Patients	250	550	850
Number of Visits	2,750	9,900	17,100

PERSONNEL CATEGORY	# of FTES	Pay w/ fringes	# of FTES	Pay w/ fringes	# of FTES	Pay w/ fringes
OPERATIONS	1..0	118,260	2.0	236,520	3	295,650
ADMINISTRATION	1.0	57,204	2.0	114,408	4	185,683
SALES / RETAIL	1.0	33,204	2.75	90,118	4	180,236
HORTICULTURE	1.0	33,204	2.5	83,010	3.5	124,515
TOTAL:	4	241,872	9.25	524,056	14.5	786,084